

Compensation Report
of the DINO POLSKA S.A. Management Board and
Supervisory Board
in 2021



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Introduction

This Compensation Report for the Members of the DINO POLSKA S.A. Management Board and Supervisory Board has been prepared pursuant to art. 90g of the Act of 29 July 2005 on Public Offerings and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (Journal of Laws of 2020, item 2080 as amended, hereinafter: "Act").

The prevailing version of the Compensation Policy for Management Board and Supervisory Board Members of DINO POLSKA S.A. ("Compensation Policy") was approved by resolution no. 18/7/2020 adopted by the Ordinary Shareholder Meeting of DINO POLSKA S.A. on 2 July 2020 and is available on the website of DINO POLSKA S.A. in the Corporate Governance tab.

According to § 1 section 9 of the Compensation Policy, every year the Supervisory Board prepares a compensation report to present information to the Shareholder Meeting regarding the compensation the Company's Management Board and Supervisory Board received in the preceding financial year.

This report presents a review of the compensation and of all the benefits received and due to the various members of the Management Board and Supervisory Board of DINO POLSKA S.A. and spans 2021.

For purposes of comparison, the data presented in this Compensation Report also include the data for the 2020 calendar year (the 12-month comparable period spanning the period from 1 January 2020 to 31 December 2020).

The Company's Supervisory Board Members are responsible for the information set forth in the Compensation Report.

In 2021 the Management Board of DINO POLSKA S.A. consisted of three members: Ms. Izabela Biadała, Mr. Michał Krauze and Mr. Michał Muskała.

In 2021 the Supervisory Board of DINO POLSKA S.A. consisted of six members: Mr. Tomasz Biernacki, Mr. Eryk Bajer, Mr. Maciej Polanowski, Mr. Piotr Nowjalis, Mr. Sławomir Jakszuk and Mr. Szymon Piduch.

There were no changes in the Management Board composition in the period covered by this Compensation Report. One change took place in the Supervisory Board composition in the period covered by this Compensation Report: Mr. Szymon Piduch ceased to serve in the capacity of a Supervisory Board Member as of the date of tendering resignation, i.e. as of 12 January 2021.

1. Components of the Management Board and Supervisory Board's compensation in 2021

1.1. Management Board

In 2021 the compensation of the DINO POLSKA S.A. Management Board Members consisted of the following elements:

- fixed compensation – base compensation ensuing from the employment of the DINO POLSKA S.A. Management Board Members on the basis of an employment contract,
- variable compensation – additional compensation in the form of discretionary quarterly and annual bonuses.

The variable compensation of a Management Board Member may take the form of a quarterly or annual bonus correlated with the level of achieving targets or the tasks designated by the Supervisory Board or the results generated. The quarterly bonus is discretionary in nature and is awarded for performing the budget planned and adopted by the Supervisory Board before the beginning of a given financial year. The annual bonus awarded to a Management Board Member was based on the generated financial result – consolidated net profit generated by the DINO POLSKA Group.

All the amounts stated in this document are presented in Polish zloty on a gross basis.

For comparison purposes this Compensation Report contains data for the 2020 calendar year.

1.2. Supervisory Board

In 2021 the compensation of the DINO POLSKA S.A. Supervisory Board Members consisted of the following elements:

- base compensation ensuing from their appointment to serve in the capacity of DINO POLSKA S.A. Supervisory Board Members.

The Supervisory Board Members are due compensation regardless of the frequency of formally convened Supervisory Board meetings.

2. Total amount of compensation

2.1 Management Board

Compensation in DINO POLSKA S.A. received in or due for 2020 and 2021 (gross, in thousand PLN)

First and last name of the Management Board Member	Period	Base compensation	Additional compensation	Total	Percentage of base compensation	Percentage of additional compensation
Michał Krauze Management Board Member	2021	79.5	735.7	815.2	9.76%	90.24%
	2020	66.0	617.4	683.4	9.66%	90.34%
Michał Muskała Management Board Member	2021	120.0	392	512	23.44%	76.56%
	2020	120.0	260.6	380.6	31.53%	68.47%
Izabela Biadała Management Board Member	2021	110.0	496.7	606.7	18.13%	81.87%
	2020*	120.0	326.1	446.1	26.90%	73.10%
Szymon Piduch Management Board Member	2021	-	-	-	-	-
	2020**	39.9	904.9***	944.8	4.22%	95.78%

* Total compensation received in 2020 (for the period of serving in the capacity of a Management Board Member (from 24 June 2020) and for the earlier period when Izabela Biadała served as the Director of the Department of Operations and Administration in Dino Polska).

** Szymon Piduch acted in the capacity of the President of the Management Board of the Company until 2 July 2020.

*** Bonus compensation for the period of serving in the capacity of a Management Board Member, which was paid in 2021 has been incorporated.

16% of the compensation of the DINO POLSKA S.A. Management Board in 2021 was base compensation. Its amount in respect of the various Management Board Members was specified by resolutions adopted by the DINO POLSKA S.A. Supervisory Board. 14.1% of the compensation in 2020 was base compensation.

84% of the total compensation of the Management Board in 2021 was additional compensation versus 85.9% in 2020.

The DINO POLSKA S.A. Management Board Members did not draw any other monetary or non-monetary benefits in 2021.

The compensation of the Management Board Members in 2021 did not consist of monetary or non-monetary benefits awarded to their family members.

2.2 Supervisory Board

Compensation received from DINO POLSKA S.A. in 2020 and 2021 (gross, in thousand PLN)

First and last name of the Supervisory Board Member	Period	Base compensation	Additional compensation	Total	Percentage of base compensation	Percentage of additional compensation
Tomasz Biernacki Supervisory Board Chairman	2021	0	0	0	-	-
	2020	0	0	0	-	-
Piotr Nowjalis Supervisory Board Member	2021	99.6	0	99.6	100%	-
	2020	93.1	0	93.1	100%	-
Sławomir Jakszuk Supervisory Board Member	2021	82	0	82	100%	-
	2020	82	0	82	100%	-
Maciej Polanowski Supervisory Board Member	2021	80.5	0	80.5	100%	-
	2020	82	0	82	100%	-
Eryk Bajer Supervisory Board Member	2021	82	0	82	100%	-
	2020	82	0	82	100%	-
Szymon Piduch* Supervisory Board Member	2021	2.1	0	2.1	100%	-
	2020	37.2	0	37.2	100%	-

* Compensation for the period of serving in the capacity of a Supervisory Board Member, i.e. until 12 January 2021.

The only component of compensation for Supervisory Board Members of DINO POLSKA S.A. in 2021 was the pecuniary compensation related to their appointment.

3. Compliance of the compensation with the Compensation Policy, its contribution to achieving the Company's long-term results and the criteria used.

The current Compensation policy has been in place in DINO POLSKA S.A. since 2 July 2020. The purpose of the Compensation Policy is to define the rules for employing and remunerating Management Board Members and Supervisory Board Members of DINO POLSKA S.A. and correlate the compensation of DINO POLSKA S.A. Management Board Members with the outcomes of executing the Company's growth strategy and the Company's financial results.

The Supervisory Board emphasizes the compliance of the Company's current compensation system with the Compensation Policy of the Management Board and Supervisory Board Members. The following factors, among others, determine this compliance:

- payment of compensation in a form permitted by the Compensation Policy,
- the fixed compensation of Management Board Members cannot be higher than 10 times the average salary of a full-time employee in DINO POLSKA S.A.,
- the fixed compensation of Supervisory Board Members cannot be higher than 3 times the average salary in the national economy as published by the Central Statistical Office for 2020 (which was PLN 5,167.47), i.e. for the year preceding the adoption of the Shareholder Meeting's resolution appointing the Supervisory Board Members for their current term of office.

According to the Compensation Policy, the larger portion of the Management Board's compensation for 2021 was paid in the form of discretionary bonuses. When setting the bonuses for the various Management Board Members the Supervisory Board took into consideration the amount of net consolidated profit generated by the DINO POLSKA Group and the performance of the Company's annual budget whose key elements are set in connection with the Company's major strategic objectives. In addition, the Supervisory Board took into consideration the effective operation of procedures in the Company with regard to the quality and safety of products offered in the DINO stores as well as initiatives undertaken by the Company to reduce its environmental impact.

In 2021 DINO POLSKA S.A. executed the project initiated in Q4 2019 involving the installation of photovoltaic panels on the rooftops of its stores. The total power of the PV panels installed on the rooftops of Dino stores climbed from 8.9 MW at the end of 2020 to 28.8 MW at the end of 2021, while the total number of Dino stores outfitted with these installations rose from 365 to 802 over 2021. In 2021 we generated 15.22 GWh.

In the opinion of the DINO POLSKA S.A. Supervisory Board the compensation of the Management Board Members contributes to their total commitment to discharging their functions and contributes to achieving the Company's business and strategic objectives, as well as to the Company's long-term results. The correlation of additional variable compensation with the Company's results generated in a given financial year has a particular influence in this regard. The higher percentage of variable bonus compensation than of base compensation in the total compensation of the Company's Management Board Members is a factor contributing to a high level of motivation and focus on attaining the Company's long-term strategic objective involving the dynamic and organic Dino store network roll-out.

In reference to the compensation of the Supervisory Board Members, it consists solely of fixed compensation and is not related in any way to the results generated by the Company, which contributes to the greater independence of the Supervisory Board Members in performing their duties. This in turn leads to the Company's greater stability and to it achieving its long-term objectives.

4. Information on the annual changes in compensation, the results of DINO POLSKA S.A. and the average salary of employees of DINO POLSKA S.A. who are not Management Board or Supervisory Board Members.

The growth rate of compensation, the average salary of employees and the results generated by DINO POLSKA S.A.	2020	2021
Company's Management Board		
Izabela Biadała	-	36.0%
Michał Muskata	21.7%	34.5%
Michał Krauze	37.1%	19.2%
Szymon Piduch	50.0%	-
Company's Supervisory Board		
Tomasz Biernacki	-	-
Eryk Bajer	-1.2%	0.0%
Sławomir Jakszuk	-1.2%	0.0%
Piotr Nowjalis	-6.5%	7.0%
Maciej Polanowski	2.5%	-1.8%
Szymon Piduch	-	-
Employees' salary		
The average salary of employees who are not Management Board and Supervisory Board Members	11.1%	7%
Standalone compensation in PLN 000s		
Sales revenue	32.7%	31.9%
Operating profit	39.9%	24.6%
Net profit	47.1%	26.3%
EBITDA	37.00%	25.0%
Consolidated compensation in PLN 000s		
Sales revenue	32.4%	32.0%
Operating profit	49.1%	22.2%
Net profit	56.7%	25.1%
EBITDA	42.8%	22.7%

The average salary of the Company's employees is the total amount of salary (fixed salary, bonuses and other awards) paid to employees for a given calendar year divided by the average headcount (average number of full-time equivalents) in a given year.

Information concerning financial years for which the Supervisory Board was not obligated to prepare a compensation report was overlooked.

5. Amount of compensation from entities belonging to the DINO POLSKA Group

5.1 Management Board

Compensation from entities belonging to the DINO POLSKA Group under civil law contracts (gross, in thousand PLN)

First and last name, function	2020	2021
Michał Krauze Management Board Member	148.8	159.2
Michał Muskała Management Board Member	120	140
Izabela Biadała Management Board Member	40	140
Szymon Piduch President of the Management Board	270.1	0

5.2 Supervisory Board

In 2021 the Supervisory Board Members did not draw any compensation from entities belonging to the DINO POLSKA Group.

6. The number of financial instruments awarded or offered and the main terms and conditions for exercising the rights from these instruments, including the price and date of exercise and changes thereto

DINO POLSKA S.A. does not award compensation in the form of financial instruments to Management Board and Supervisory Board Members.

7. Information on utilizing the option to clawback variable components of compensation

DINO POLSKA S.A. does not contemplate the deferral of payment of components of variable compensation or the option of clawing them back.

8. Information regarding deviations from the procedure of implementing the compensation policy

According to the Supervisory Board's knowledge, no deviations from the procedure of implementing the compensation policy have been recorded.

9. Information pertaining to the monetary or non-monetary benefits awarded to family members of a Management Board Member or the Supervisory Board

Monetary or non-monetary benefits awarded to family members of a Management Board Member or the Supervisory Board are not part of the compensation of the Company's Management Board and Supervisory Board Members.

10. Verification of the Compensation Policy for the DINO POLSKA S.A. Management Board and Supervisory Board Members

Pursuant to § 1 sec. 4, after the end of each financial year, the Compensation Policy is subject to annual verification by the Supervisory Board to verify that it is up-to-date, suitable to the business environment and aligned to the Company's business and business strategy. Following its verification of the Compensation Policy for the Management Board and Supervisory Board Members the Supervisory Board does not have any reservations pertaining to the contents of this document.

11. Explanation concerning the method of incorporating the resolution adopted by the Company's shareholder meeting opining the previous Compensation Report.

On 18 June 2021 Resolution No. 17/6/2021 of the Company's Ordinary Shareholder Meeting was adopted to endorse the Compensation Report for the previous reporting period in accordance with art. 90g of the Act on Offerings.

Having regard for the foregoing, the resolution endorsing the previous Compensation Report has been incorporated in this Compensation Report in such a manner that this Compensation Report presents the required information in a manner identical to the previous Compensation Report.

This Compensation Report has been ratified by the DINO POLSKA S.A. Supervisory Board on 13 may 2022.

Tomasz Biernacki _____

Eryk Bajer _____

Maciej Polanowski _____

Piotr Nowjalis _____

Sławomir Jakszuk _____